

*Know Your Rights:*

## California AB2424 – NEW FORECLOSURE PROTECTION LAW



### What is AB 2424?

Effective January 1, 2025, AB 2424 strengthens foreclosure protections for California homeowners by:

- ✓ **Third-Party Notification** – You can designate a family member, attorney, or housing counselor to receive foreclosure notices on your behalf.
- ✓ **Foreclosure Sale Postponement** – If you provide a **valid listing agreement at least 5 business days before the foreclosure sale, the sale must be postponed for 45 days**. If you submit a purchase agreement, the sale is delayed further to allow the transaction to close.
- ✓ **Fair Market Value Protection** – Lenders must provide a property assessment at least 10 days before the trustee's sale, and the property **cannot be sold for less than 67% of this value** at the initial foreclosure auction.
- ✓ **Stronger Homeowner Protections** – Lenders must communicate loss mitigation options early, ensuring you have every opportunity to avoid foreclosure.



### California Foreclosure Timeline under AB2424

#### Step 1: Missed Mortgage Payments (Days 1–90)

- Day 1: First missed payment.
- Day 36: Lender must reach out to discuss repayment or modification options.
- Day 45: Lender must send a written Notice of Foreclosure Alternatives.

#### Step 2: Notice of Default (After 90 Days of Nonpayment)

- The lender records a Notice of Default (NOD) with the county.
- Homeowner has at least 90 days to bring the loan current.

#### Step 3: Notice of Trustee Sale (At Least 90 Days After NOD)

- If the loan isn't reinstated, the lender issues a Notice of Trustee Sale (NOTS).
- The sale must be scheduled at least 21 days later.
- **AB 2424 Protection:** If you submit a valid listing agreement at least 5 business days before the sale, the sale must be postponed for 45 days.

#### Step 4: Foreclosure Sale (At Least 111 Days After NOD)

- The property is auctioned to the highest bidder.
- **AB 2424 Protection:** The sale cannot occur for less than 67% of fair market value at the first auction.
- If the homeowner provides a purchase agreement during the 45-day postponement, the sale must be delayed further to allow closing.

#### Step 5: Post-Foreclosure Eviction (If Necessary)

- If the homeowner does not vacate, the new owner must follow legal eviction procedures.